From: "Steven Kelly" <steven@iepa.com>
To: "Clare Laufenberg" <Claufenb@energy.state.ca.us>, "Mason, Tim" <MasonT@b...
CC: <steven@iepa.com>
Date: 4/4/2008 3:58 PM
Subject: Comments on draft RETI Phase I Report

Tim, Clare - provided below are comments re the draft RETI Phase I Report. If I receive any late-filed comments, I'll forward to you.

First, let me note the following. I asked companies to use their technology reps to handle specific comments regarding their technology. I did this to ensure that what is forwarded to you is relatively consistent. I indicated to my members that I would be please to forward additional questions. As a result, the comments I'm forwarding are limited.

Comments:

* My comment/observation: The Project Development guys indicated that the report was "awfully long" and detailed. Thus, it was difficult for them to carve out time to address in specific detail. The lack of comment is probably more a function of lack of time, too busy schedules, etc., than lack of concern.

* My comment/observation: The RETI Phase I Report - Final (and any subsequent final work products) need to be scrubbed to remove any information that can tie the findings, conclusions, and recommendations, etc., back to an individual project. The big fear, which I share, is that RETI work products be used in siting cases (generation and/or transmission) to delay, thwart, or otherwise harm specific project development proposals. For example, if someone wants to develop a project not located within a RETI CREZ (or perhaps not used originally to identify a RETI CREZ), then we don't want the RETI Report/workproduct to be used to make the point (on the record in a siting case) that the project (a) shouldn't be built or (b) isn't the "least-cost" project available. Thus, the project specific information in the RETI report(s) should "masked" to prevent this from occurring.

IEP Member Comment:

* The dry cooling assumption used in the Black & Veatch report (pg. 5-22, section 5.4.5 Environmental Impacts, is not appropriate for the following reasons:

1. The reference to dry cooling for costs assumption purposes could lead to a policy position for construction of Concentrated Solar Power (CSP) projects.

2. Dry cooling will add 5 to 10% to the cost of CSP projects both in the additional capital cost, O&M cost and reduced plant performance.

3. CSP plants are already a high cost renewable and often bid above the MPR, which limits its ability to compete with other renewables. The IOUs appear to be using least cost exclusively, not least cost best fit.

4. Dry cooling limits the performance of CSP projects. CSP is designed to provide peaking power at the time when IOUs most need it. Dry cooling will limit the peaking value of solar by limiting output on the hottest days.

5. Dry cooling will significantly increase plant parasitic power demand during the hottest times of the day due to the need to run numerous cooling fans.

6. Dry cooling will increase operating and maintenance costs given the additional capital equipment required for dry cooling.